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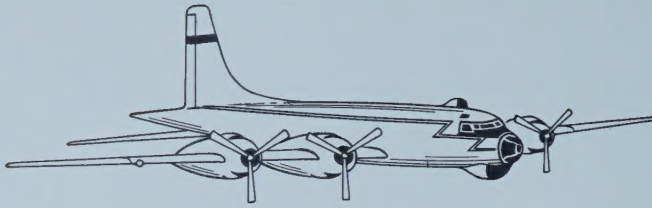
Full JS

Canadian
Curtiss · Wright,
Limited



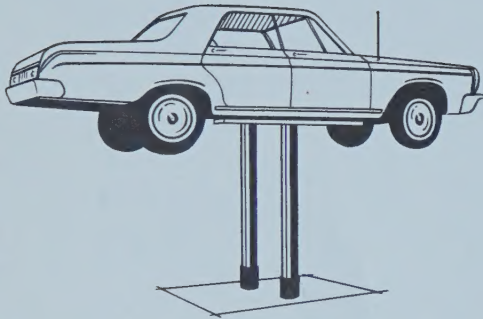
1964 ANNUAL REPORT

for the year ended December 31.



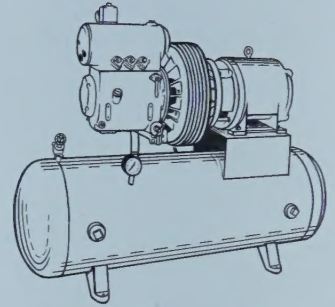
AIRCRAFT

Engines, engine and propeller parts, propellers and transmissions, ground support equipment, actuation systems, windshield wipers, flight simulators, other electronic training equipment, etc.



AUTOMOTIVE

Hydraulic lifts, jacks, tire handling equipment, compressors, etc.



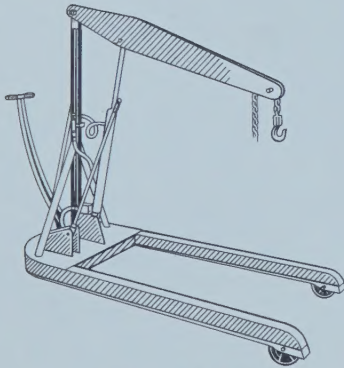
ROTARY COMPRESSORS

Vibrationless, lightweight, quiet and trouble-free, for industrial and portable applications.

Diversified Products for

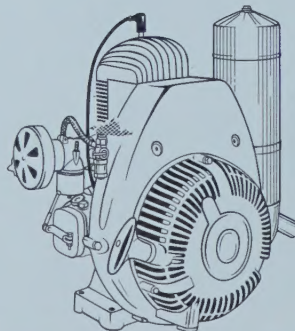


an Expanding Economy



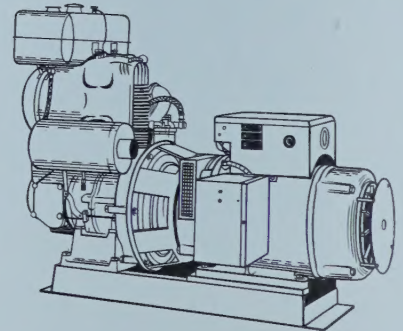
MISCELLANEOUS

Cranes, hoists, loading docks, material lifts, impact wrenches, custom and tubular extrusions, forgings, etc.



ENGINES

For industrial and marine applications, generator sets, snow vehicles, amphibious vehicles, etc.



MOTOR GENERATORS

Gasoline and diesel driven for every purpose including emergency "stand-by", "no-break", motor starters, power source for railway, marine and over-the-road refrigerated cars and containers.

To The Shareholders of Canadian Curtiss-Wright, Limited:

Consolidated sales of Canadian Curtiss-Wright, Limited, for the year 1964 were \$5,337,593, compared with \$6,627,373 in 1963. After-tax profits increased to \$82,706, as compared with \$28,256 in the previous year.

Sales of industrial products increased during the year. This increase did not offset the continued declines in military aircraft parts requirements which had been forecast. Over the past several years, your Company has succeeded in replacing a large volume of military aircraft parts sales, which at one time constituted the bulk of its volume, by increasing the sales of diversified industrial products.

Elements in the improvement in profits in 1964 were cost savings from consolidation of overhead functions, and more efficient manufacture at Midland. Accounting and sales functions were combined at the Toronto location. At Midland, a material and production control system was installed which, together with introduction of new equipment and revisions in plant layout, produced more efficient and economical manufacturing.

Sales volume of industrial engines—primarily for snowmobiles and amphibious vehicles—increased in 1964. Sales of rotary compressors also increased, including initial sales of these compressors for snow making at ski resorts.

After two years of testing, involving over 8,000 hours of virtually trouble-free operational service in North America, the first production order from Canadian National Railways for the under-car mounted power generating plant for refrigerated railway cars was obtained in 1964. Considerable additional volume for this equipment is anticipated over the next few years. As a further result of this development, initial orders for testing purposes have been obtained from several United States manufacturers for similar units to supply electric power for refrigerated containers, over-the-road trailers and "piggyback" applications.

In recognition of its successful marketing, your Company's exclusive Canadian franchise for an important West German engine has been extended to cover all of North America. These engines will be introduced into the extensive United States market during 1965.

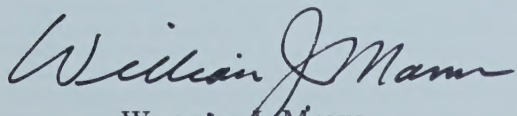
The "Made in Canada" policy on automotive products of the Midland Division was further developed by the initiation of production of the complete line of Big Four tire handling equipment. Subsequently, the Canadian Government established a higher duty rate on competitive imports. Volume in this line was further augmented by initial orders for a private brand line of a Canadian national sales organization.

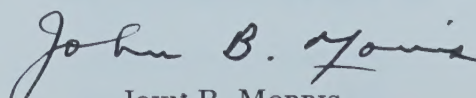
During 1964, the first set of flight hardware, including propellers, gear boxes and transmission systems, was delivered to Canadair for its VTOL aircraft, the CL-84 "Dynavert".

Of interest to shareholders will be the Ruling obtained by the Company from the United States Treasury Department by which it was held that the Company's stock constitutes a class of stock which is exempt from the United States Interest Equalization Tax. Accordingly, United States shareholders who acquire the Company's stock will not be subject to the Interest Equalization Tax of 15 percent. This Ruling does not apply to any shares which may be issued in the future.

Your management is continuing to seek means to improve earnings by increasing sales volume and adding to product lines, and is intensifying its efforts to achieve additional efficiencies and economies.

The employees contributed materially to 1964 results. We extend to them, and to shareholders and customers, appreciation for their loyalty and support.


WILLIAM J. MANN
President


JOHN B. MORRIS
Chairman of the Board



ASSETS

| | 1964 \$ | 1963 \$ |
|--|------------------|------------------|
| Current Assets | | |
| Cash..... | 65,216 | 203,374 |
| Accounts receivable..... | 1,646,610 | 1,200,034 |
| Inventories—at the lower of cost or net realizable value..... | 1,040,920 | 1,112,568 |
| Prepaid expenses..... | 47,312 | 16,679 |
| Income taxes recoverable..... | 3,710 | — |
| | <u>2,803,768</u> | <u>2,532,655</u> |
| Fixed Assets (note 3) | | |
| Land, buildings, equipment and leasehold improvements—at cost..... | 340,215 | 319,909 |
| Accumulated depreciation..... | 137,595 | 129,241 |
| | <u>202,620</u> | <u>190,668</u> |
| Other Assets | | |
| Sundry investments—at cost..... | — | 42,625 |
| Franchises—at cost, less amounts written off..... | 192,358 | 235,044 |
| Goodwill—at cost..... | 31,260 | 31,260 |
| | <u>223,618</u> | <u>308,929</u> |
| | <u>3,230,006</u> | <u>3,032,252</u> |

APPROVED ON BEHALF OF THE BOARD

JOHN B. MORRIS }
WILLIAM J. MANN } DIRECTORS

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Canadian Curtiss-Wright, Limited and its subsidiaries as at December 31, 1964 and the related statements of earnings and retained earnings and source and use of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

ANCE SHEET AS AT DECEMBER 31, 1964

LIABILITIES

| | 1964 \$ | 1963 \$ |
|---|------------------|------------------|
| Current Liabilities | | |
| Accounts payable and accrued liabilities..... | 482,636 | 381,052 |
| Provision for income taxes..... | — | 52,269 |
| Due to parent company..... | 1,010,439 | 944,706 |
| | <u>1,493,075</u> | <u>1,378,027</u> |

SHAREHOLDERS' EQUITY

| | | |
|------------------------------------|------------------|------------------|
| Capital Stock (note 1) | | |
| Authorized — | | |
| 5,000,000 shares without par value | | |
| Issued and fully paid — | | |
| 4,347,730 shares..... | 1,495,608 | 1,495,608 |
| Retained Earnings | 241,323 | 158,617 |
| | <u>1,736,931</u> | <u>1,654,225</u> |
| | <u>3,230,006</u> | <u>3,032,252</u> |

NOTES

1. RESERVATIONS OF CAPITAL STOCK

100,000 shares of the authorized capital stock have been set aside for the purpose of granting stock options to employees. Options have been granted to purchase 15,000 shares on or before December 31, 1965 at \$1.10 per share, and 12,000 shares on or before May 2, 1967 at \$1.15 per share.

2. INCOME TAXES

The provision for income taxes which has been charged in arriving at the net profit for the year has been reduced by \$13,500 on the application of prior years' losses of a subsidiary.

3. FIXED ASSETS

Land, buildings, equipment, leasehold improvements and related accumulated depreciation are classified as follows:

| | 1964 Cost \$ | 1964 Accumulated depreciation \$ |
|-----------------------------|--------------------|---|
| Land..... | 8,594 | |
| Buildings..... | 92,000 | 17,273 |
| Equipment..... | 226,900 | 116,265 |
| Leasehold improvements..... | 12,721 | 4,057 |
| | <u>340,215</u> | <u>137,595</u> |

In our opinion, the accompanying consolidated balance sheet and statements of earnings and retained earnings and source and use of funds, with the notes thereto, present fairly the consolidated financial position of Canadian Curtiss-Wright, Limited and its subsidiaries as at December 31, 1964 and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

Toronto, February 5, 1965

Canadian Curtiss



Wright, Limited

and Its Subsidiaries

Consolidated Statement of Earnings and Retained Earnings

for the Year Ended December 31, 1964

| | 1964 \$ | 1963 \$ |
|---|------------|------------|
| Sales..... | 5,337,593 | 6,627,373 |
| Cost of Sales..... | 4,506,134 | 5,697,666 |
| | 831,459 | 929,707 |
| Selling, general and administrative, and financial expenses..... | 735,578 | 876,867 |
| | 95,881 | 52,840 |
| Other income..... | 13,825 | 25,093 |
| | 109,706 | 77,933 |
| Provision for income taxes (note 2)..... | 27,000 | 49,677 |
| Net earnings for the year..... | 82,706 | 28,256 |
| Retained earnings—Beginning of year..... | 158,617 | 130,361 |
| Retained earnings—End of year..... | 241,323 | 158,617 |
| The following expenses are included in the foregoing: | | |
| Depreciation of fixed assets..... | 37,991 | 46,556 |
| Amortization of franchises..... | 42,686 | 37,042 |
| Directors' fees..... | 2,300 | 2,200 |
| Interest..... | 5,401 | 4,268 |

Canadian Curtiss Wright, Limited

General Office: 518 Evans Avenue, Toronto 14, Ontario

Consolidated Statement of Source and Use of Funds

for the Year Ended December 31, 1964

| | \$ |
|---|-------------------------|
| Source of funds | |
| Net earnings for the year..... | 82,706 |
| Add: Depreciation and amortization of franchises..... | 80,677 |
| | <u>163,383</u> |
| Proceeds on disposal of investments and fixed assets, less profit of \$2,411 included above..... | 52,001 |
| | <u>215,384</u> |
| Use of funds | |
| Purchase of fixed assets..... | 59,319 |
| Increase in working capital..... | <u>156,065</u> |
| Working capital—Beginning of year..... | 1,154,628 |
| Increase in working capital..... | 156,065 |
| Working capital—End of year..... | <u><u>1,310,693</u></u> |

DIRECTORS

JAMES G. BYRON
*Senior Personnel Advisor
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.*

JACK PEMBROKE
*Chairman of the Board
The Royal Trust Company,
Montreal, P.Q.*

SAM D. IRWIN
*Senior Consultant on International
Marketing
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.*

JOHN B. MORRIS
*Vice-President
Curtiss-Wright Corporation, Wood-Ridge, N.J., U.S.A.*

TOM F. G. LAWSON
*President
Lawson & Jones Limited,
London, Ontario.*

ANDREW S. HAZELTON
*Corporate Controller
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.*

WILLIAM J. MANN
*President
Canadian Curtiss-Wright, Limited,
Toronto, Ontario.*

OFFICERS

JOHN B. MORRIS
Chairman of the Board

WILLIAM J. MANN
President

FRANK H. MILLER
Treasurer

CHARLES F. SCOTT
Secretary

FRANCIS E. FALLON
Assistant Secretary

Transfer Agent and Registrar: THE CANADA TRUST COMPANY, 33 Adelaide Street West, Toronto 1, Ontario.
Corporate Counsel: GOWLING, MAC TAVISH, OSBORNE & HENDERSON, 116 Albert Street, Ottawa 4, Ontario.

